

SENATE BILL 3361

By Herron

AN ACT to amend Tennessee Code Annotated, Section 63-6-204, relative to the practice of medicine.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 63-6-204(f)(4), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(f)

(4)(A) In any event, nothing in this section shall prohibit any of the following from employing physicians and from restricting an employed physician's right to practice medicine upon termination or conclusion of the employment relationship subject to the restrictions in subdivision (f)(4)(B):

(i) A licensed physician; or

(ii) A group of licensed physicians, including, but not limited to, either of the following:

(a) A medical group practice that is organized and operating in any lawful form, including as a medical professional corporation or medical professional limited liability company; or

(b) A domestic nonprofit public benefit corporation:

(1) That is recognized as exempt under § 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), or any successor section;

(2) A purpose of which is to engage in medical education and medical research in conjunction with a

college or university operating an accredited medical school in Tennessee;

(3) Whose physician-employees are restricted to the medical faculty of such a college or university; and

(4) Which operates as a "faculty practice plan" for purposes of Title XVIII of the federal Social Security Act, 42 U.S.C., Chapter 7, subchapter XVIII, and regulations promulgated in connection therewith.

Provided, that with respect to any such domestic nonprofit public benefit corporation, physician employees of any such faculty practice plan who practice in the specialties of radiology, pathology, anesthesiology or emergency medicine shall be restricted to practice as faculty practice plan employees in those health care institutions, including but not limited to hospitals or surgery centers in which they were practicing as employees of the nonprofit public benefit corporation on May 30, 1997.

(B) A restriction on an employed physician's right to practice medicine upon termination or conclusion of the employment relationship shall be deemed reasonable if:

(i) The restriction is set forth in an employment agreement or other written document signed by the physician and the employing entity;

(ii) The duration of the restriction is two (2) years or less; and

(iii) The maximum allowable area of restriction is the greater of:

(a) The county in which the primary practice is located; or

(b) A ten-mile radius from the primary practice site of the physician while employed.

SECTION 2. This act shall take effect July 1, 2006, the public welfare requiring it.